

ORIGINAL

EX PARTE OR LATE FILED

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ORIGINAL

RECEIVED

MAR 14 2001

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

March 14, 2001

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via Hand Delivery

Magalie Roman Salas, Secretary  
Office of The Secretary  
Office of Managing Director  
Federal Communications Commission  
445 Twelfth Street, SW, TWA325  
Washington, D.C. 20554

Re: **Ex Parte Presentation of Bachow/Coastel,  
L.L.C., WT Docket No. 97-112, CC Docket No. 90-6**

Dear Ms. Salas:

Bachow/Coastel, L.L.C. ("Bachow/Coastel"), pursuant to section 1.1206(b)(2) of the Commission's rules,<sup>1</sup> and by its attorneys, herewith files with the Commission an original and one copy of its summary of its *ex parte* presentation at the Commission on Tuesday, March 13, 2001. On that date, Bachow & Associates, Inc. Managing Director, Jay D. Seid, along with Bachow/Coastel's counsel, Steven J. Hamrick of Fleischman and Walsh, L.L.P., met with David Furth, Senior Legal Adviser, Wireless Telecommunications Bureau ("Bureau"); Lauren Kravetz, Wireless Telecommunications Bureau; and Michael Ferrante, Wireless Telecommunications Bureau. Bachow/Coastel is filing two additional copies of this summary with the Commission due to the second docket number attached to this proceeding.

Pursuant to a request from Bureau staff, Bachow/Coastel is concurrently filing two intercarrier roamer service agreements under a request that the Commission withhold these agreements from public inspection. Attached to this notification is a redacted copy of a cell sharing agreement; a contour extension agreement; and a letter from Mr. Seid that reflects the status of Bachow/Coastel's negotiations for an agreement with an adjacent licensee. All three of

<sup>1</sup> 47 C.F.R. § 1.1206(b).

014

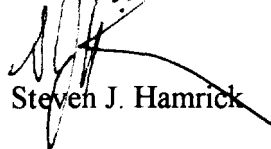
Magalie Roman Salas  
March 14, 2001  
Page -2-

these documents were discussed at the meeting.

The March 13 *ex parte* meeting focused on the state of Bachow/Coastel's current negotiations with land carriers. The economic and service implications of the Commission's proposed rules in the captioned rulemaking proceeding were also discussed. Bachow/Coastel reiterated the positions it has taken in its earlier filings with the Commission in this proceeding.

If you have any questions concerning this filing, or if you require additional information, please do not hesitate to call.

Cordially,

A handwritten signature in black ink, appearing to read "S. Hamrick", with a long horizontal flourish extending to the right.

Steven J. Hamrick

*Counsel to Bachow/Coastel, L.L.C.*

Attach.

cc: Lauren Kravetz, Esq., Room 4-A163

# BACHOW

INNOVATIVE INVESTORS

PAUL S. BACHOW CO-INVESTMENT FUND, L.P.

BACHOW INVESTMENT PARTNERS III, L.P.

INDIVIDUAL BACHOW INVESTORS, L.P.

BACHOW INVESTMENT PARTNERS IV, L.P.

INDIVIDUAL BACHOW INVESTORS IV, L.P.

March 8, 2001

**VIA FAX (501) 905-6200 AND FIRST CLASS MAIL**

Kevin Beebe, President  
Alltel Wireless  
1 Allied Drive  
Little Rock, AR 72202

Dear Kevin:

I wanted to follow-up on our conversation last week. We have tried to respond to the proposal you have made, and have attached a copy of your proposal marked to show our suggested changes. Please note that, based on our engineering analysis, it appears that collocation is necessary at four sites to maximize effective wireless coverage, as well as to minimize traffic capture by each of us. I have attached a copy of a letter from 02 Wireless Solutions regarding this issue.

As we discussed, there is an alternative method for addressing collocation. In order to minimize the burden to Alltel, Coastel is willing and able to provide all of the equipment and services necessary to install, maintain and service each collocated site. We believe this is a viable alternative to handle the collocation necessary to accomplish the goal of seamless coverage at the border between the Coastel and Alltel networks in the east central portion of the Gulf of Mexico. Specifically, we propose that Coastel have Alltel's consent and cooperation (as appropriate) to enable Coastel to:

1. provide interconnection, trunking and back haul over its own facilities;
2. provide its own cell site equipment to equip its portion of the sectorized cells;
3. have full access to easements and rights-of-way in order to bring all necessary facilities to the site;
4. obtain extensions of Alltel's right to access and use of the existing and any future tower at the site including installation and maintenance of all necessary antennas and waveguides;

■ BACHOW & ASSOCIATES, INC.  
3 BALA PLAZA EAST, 5TH FLOOR  
BALA CYNWYD, PA 19004

TELEPHONE: 610.660.4900  
FAX: 610.660.4930  
WEB SITE: [www.bachow.com](http://www.bachow.com)

Kevin Beebe, President  
Alltel Wireless  
March 8, 2001  
Page 2 of 2

5. place an equipment shelter, appropriate in size and type for the intended purpose, at the base of the tower;
6. have ongoing egress and ingress at the site to provide continuing maintenance, of any type or nature, including changing cell site equipment;
7. place, construct, operate and maintain (on an on-going basis) all cell site equipment deemed necessary, according to standard industry practices; cells at Dauphin Island, Gulf Shore, Orange Beach and the proposed Fort Morgan site, as well as any new cell sites and/or cell extenders constructed;
8. move (but not the obligation) with Alltel if any of these cells are moved;
9. stay at an existing site even if Alltel chooses to move (providing that we are still minimizing traffic capture of the other party); and

In addition, Coastel would want Alltel to agree not to oppose Coastel's applications and filings at the FCC for licenses related to the collocations, in any licensing or rulemaking.

The reciprocal roaming rates will be as follows:

With respect to any traffic in the sectorized portion of the cell:

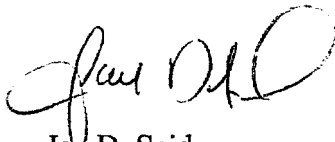
- \$.50 airtime per minute
- \$.10 long distance per minute

With respect to any traffic in any area outside of the sectorized portion of the cell:

- \$1.25 airtime per minute
- \$0.10 long distance per minute

While we are willing to address the four sites in and around the Mobile Bay situation first, we would like an understanding that this is an acceptable methodology for resolving other comparable situations in the Gulf.

Sincerely,



Jay D. Seid  
Managing Director

Enclosures

Kevin Beebe, President  
Alltel Wireless  
March 8, 2001  
Page 3 of 3

/srk

cc: The attached Distribution List

## **Coastel Proposal – February 22, 2001**

Collocation on the existing Orange Beach, Dauphin Island, Gulph Shores sites and the proposed Fort Morgan sites ("Covered Sites"). Attached is high level description of technical approach. ALLTEL proposes to:

- Sectorize the Covered Sites both sites to allow Coastel coverage directly into the Gulf and potentially hand off into VK124.
- Engineer and construct these sectors on the Covered Sites at a cost to Coastel of \$100,000 each, to include:
  - All necessary Lucent hardware
  - Antenna mounts and hardware
  - Transmission lines and hardware
  - Labor for antennas and lines
  - Labor for base station equipment
- Maintain and operate these sectors on the Covered Sites for Coastel at a cost of \$2,500 per month, which will cover additional lease expenses, day to day maintenance and operational costs such as technician labor, electricity, grounds maintenance, etc. All such services shall include minimum and quality standards.
- Coastel will agree to pay for any reasonable one-time costs (normal and necessary) associated with the additional connectivity required to implement this solution. Such charges shall be at cost.
- Coastel shall pay ALLTEL the following as the charges to switch roaming traffic or Coastel customers off of these sectors (these are based on estimates of wholesale rates, as per our premise that these should not be independent profit centers):
  - Four and one half cents per minute (\$.045) One cent per minute (\$.01) for calls that originate or terminate on the Fort Morgan or Orange Beach Gulf sectors of the Covered Sites
  - Local trunking – one and one half cents per minute (\$.015) three quarters of one cent per minute (\$.0075)
  - Long distance trunking – seven cents per minute (\$.07) three cents per minute (\$.03)
  - Directory Assistance calls – twenty-five cents per call (\$.25)
- Establish a mutually agreeable roaming contract with Coastel through December 31, 2003<sup>2</sup> containing the following reciprocal roaming rates:

With respect to any traffic in the sectorized portion of the cell:

  - \$.40 airtime per minute, including the Gulf sectors
  - \$.10 long distance per minute

With respect to any traffic in any area outside of the sectorized portion of the cell:

  - \$1.25 airtime per minute
  - [\$ ] long distance per minute
- As part of this contract, ALLTEL agrees to open all of its exchanges to allow roaming on the Coastel system, effective upon completion of a signed agreement between the two parties.
- Upon both sides accepting this agreement, ALLTEL be allowed to return the contours on the other Alabama Gulf cell sites back to their status prior to April 1, 2000, or modified as may be necessary based upon actual measurements or best server profiles to ensure that both carriers capture traffic in their respective CGSAs. Neither ALLTEL or Coastel will not unreasonably withhold their consent to any SAB extension that accomplishes this proper distribution of minutes both on and off the coastline.



**o2wireless Solutions**

**Systems Engineering Division**

February 28, 2001

Mr. Jay D. Seid, Managing Director  
Bachow and Associates, Inc.  
3 Bala Plaza East, Suite 502  
Bala Cynwyd, PA 19004

Dear Mr. Seid,

Per our discussion, this letter will summarize my thoughts concerning the potential implementation of mutually acceptable land-based co-location opportunities between Bachow/Coastel and Alltel.

Over the past several years, we have worked closely with Bachow/Coastel to support their efforts in developing workable RF solutions in the Gulf. As part of this work, we have developed many scenarios that addressed the potential for land-based co-location between Bachow/Coastel the B Block land based carrier. As a result of this analysis, it is our belief that the ability for Bachow/Coastel to co-locate on four (4) land based sites would be essential to minimize the potential for capture of Gulf based traffic by the land based B Block Carrier along the Alabama coastline. Our recommendation would be that Bachow/Coastel be able to co-locate on the existing cell site locations of Alltel at Dauphin Island, Gulf Shores and Orange Beach. Additionally, discussions were held between GTE, Bachow/Coastel and o2wireless about the addition of another land based cell site at a location known as Ft. Morgan. We believe that this new cell site location would also be required to minimize traffic capture by both parties.

If you have any further questions concerning these or other issues, please do not hesitate to contact me.

Sincerely,

Michael E. Hofe,  
Vice President, Domestic Engineering

cc: File

4640 Wedgewood Boulevard  
Frederick, MD 21703

VOICE 301 663 9300  
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www.o2wireless.com

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Fax: 813-866-1000

**Mr. Steven Hamrick, Esq.**  
Fleischman & Walsh  
1400 Sixteenth Street NW  
Washington, D.C. 20036  
Fax: 202-588-0095



**CONTOUR EXTENSION AGREEMENT**  
**Sabine Pass Cell Site - Sabine Pass, Texas**

RECEIVED  
SEP 30 1996  
BY: \_\_\_\_\_

Bachow/Coastel Operations, Inc. ("Coastel"), licensee of a cellular radio system in the Gulf of Mexico Metropolitan Statistical Area ("MSA"), Market No. 306B, has reviewed the request of GTE Mobilnet of South Texas Limited Partnership ("GTEM"), licensee of a cellular radio system in the Beaumont-Port Arthur, Texas MSA, Market No. \_\_\_\_\_ for a modification of the Sabine Pass Cell Site.

The 32 dBu contour extension into the GMSA, is approved, as per the attached exhibits and conditions in the following paragraphs.

GTEM acknowledges that the extension into the GMSA, upon 30 days written notice, may be required to be reduced or eliminated should system operations in the Gulf of Mexico reasonably necessitate such a modification. Coastel does not give up the right to interference protection within the area of the contours extension and it retains all claims to the area as part of its authorized GMSA.

GTEM agrees that it will coordinate frequency usage with Coastel and eliminate all unacceptable radio interference, co-channel and adjacent channel and unacceptable capture of contours experienced by Coastel's system in the Gulf of Mexico caused by the proposed extension. If interference problems cannot be resolved, GTEM agrees to adjust beam tilt or signal strength at their cell site or to reimburse Coastel for any necessary engineering or hardware changes required to eliminate the extensions causing the dispute upon prior written notice that the dispute has not been resolved to Coastel's satisfaction.

Coastel and GTEM understand and acknowledge that neither the agreement nor the filing of said agreement with the FCC is intended to assign to the other party the right that each licensee has to serve, on an interference free basis, the area within its MSA. Coastel's approval for the contour agreement for the specified cell site is for that cell site only.

In consideration, GTEM will permit, upon prior approval, contour extensions of comparable amounts into the Beaumont - Port Arthur, TX MSA from any future sites or modifications that may be proposed by Coastel. Modifications to the sites of both GTEM and Coastel may be necessary to achieve the ability of call capture by each licensee within its MSA/GMSA. This extension will be governed by reciprocal conditions to that in the above paragraphs.

**BACHOW/COASTEL OPERATIONS,  
INC.**

Approved: [Signature]

Printed Name: G. S. McCLELLAN

Date: 9/18/96

**GTE MOBILNET OF SOUTH TEXAS  
LIMITED PARTNERSHIP**

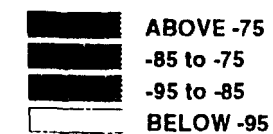
Approved: [Signature] KAS

Printed Name: KAREN PUCKETT

Date: 9/26/96

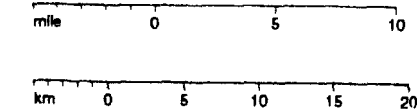
HOUSTON\_END\_95  
 GRANET Ver 1.8.1  
 Map # 61  
 UTM zone 14  
 User ID: engr  
 Tue Nov 14 13:07:25 1995

Signal Strength [dBm]

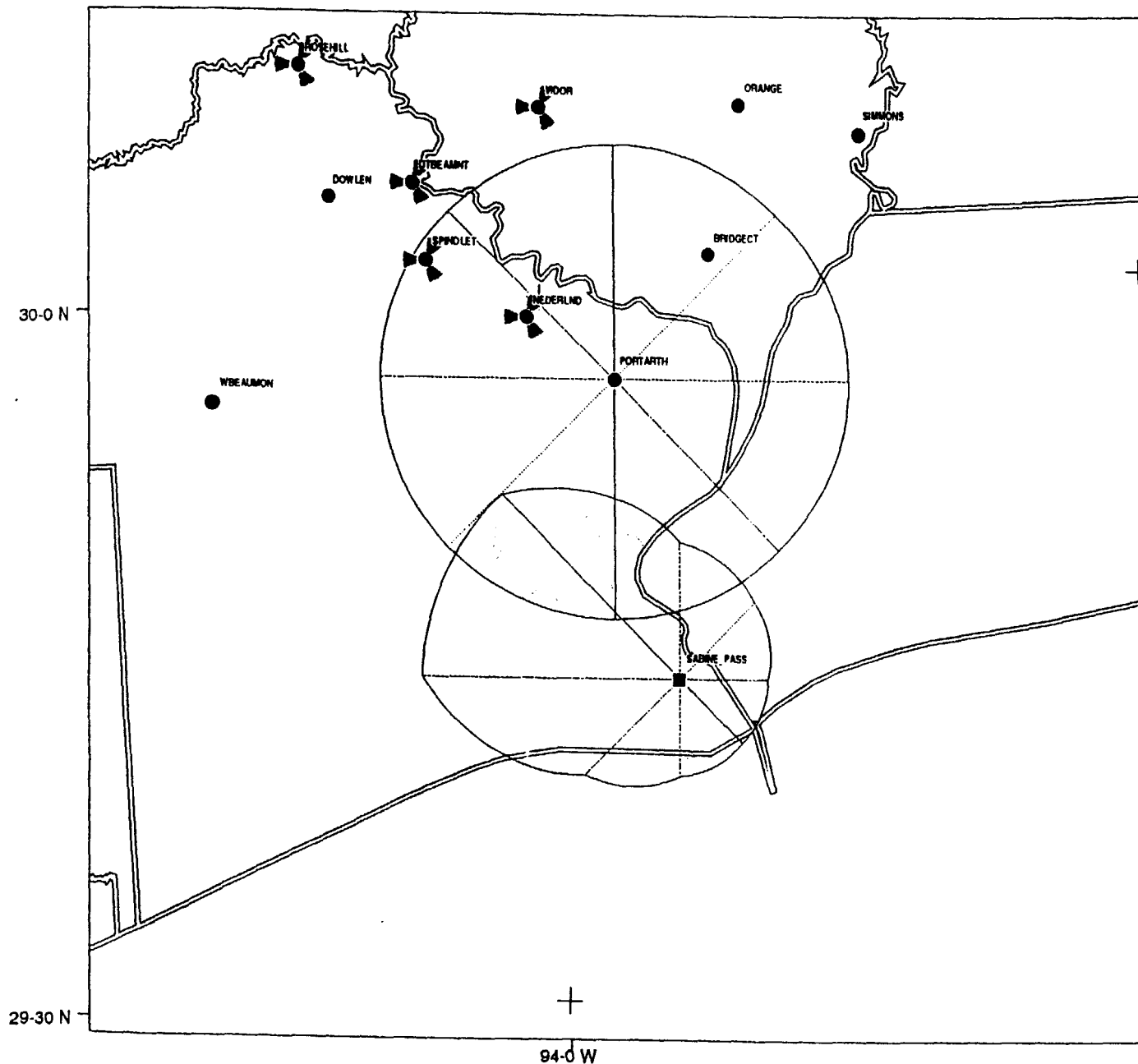


SABINE PASS  
 TOTAL AREA = 191 sq. mi.  
 EXTENSION = 12.76 sq mi.  
 (6.68%)

Scale 1:500000



GTE Mobilnet  
 100 Glenborough  
 Houston, TX 77067



# FCC Service Contour Report

GTE Mobilnet  
100 Glenborough  
Houston, TX 77067

GRANET 1.8.1  
User: engr  
Date: Tue Nov 14 13:07:36 1995  
Page: 0

Site Name: SABINE\_PASS

Site ID: 1198

Sabine Pass, TX

Sector: 0 (Setup)

Latitude: 29 43 35 N  
Longitude: 93 53 51 W  
Ground Elevation: 3.0 ft AMSL

Antenna Model: DB884H60\_X  
Antenna Gain: 14.3 db

Antenna Height: 207.0 ft AGL  
Azimuth: 290.0 TN  
Tilt: 0.0 degrees  
ERP: 85.0 Watts

## Height & Power Engineering Data

Radial Bearing (Degrees From True North)	Average Elevation Along Radial Above Mean Sea Level ( ft )	Height of Antenna Radiation Center above Average Elevation of Radial ( ft )	Effective Radiated Power in Radial Direction (Watts)	Distance to Reliable Service Area Contour ( mi )
0	0	210	1.17	6.65
45	0	210	0.33	5.35
90	0	210	0.02 *	4.46
135	0	210	0.01 *	4.46
180	0	210	0.17	4.81
225	0	210	1.26	6.73
270	0	210	55.90	12.81
315	1	209	49.82	12.55
Average Terrain Elevation ( ft )		Antenna Radiation Center Height Above average Terrain ( ft )		
0		209		

\* denotes min value used

Site Name: SABINE\_PASS

# FCC Service Area

CSN: 198

Lat/Lon: 29 43 35 N 93 53 51 W

Ground Elev: 3.0 ft AMSL

1.8.1 User ID: engr

Tue Nov 14 13:07:51 1995

Setup Stations  
Sector 0

Sect:0 Ant: DB884H60\_X  
Gain: 14.3 db Ht: 207.0 ft AGL  
Tilt: 0.0 deg. ERP: 85.0 W  
Az: 290.0 TN

Scale: 1:500000

Miles

0 4 8 12

GTE Mobilnet  
100 Glenborough  
Houston, TX 77067

30-0 N

29-45 N

29-30 N

94-15 W

94-0 W

93-45 W

+ SABINE\_PASS

CELL SHARING AGREEMENT

This Cell Sharing Agreement (the "Agreement") is entered into this 29th day of March, 1994, by and between Centel Cellular Company of Florida, a Delaware corporation ("Sprint") and RVC Services Inc. d/b/a Coastel Communications Company, a Nevada corporation ("Coastel").

WITNESSETH

WHEREAS, Sprint is licensed by the FCC to provide and is currently providing cellular service in the Panama City, Florida MSA;

WHEREAS, Coastel is licensed by the FCC to provide and is currently providing cellular service in the Gulf of Mexico MSA;

WHEREAS, Sprint has constructed or intends to construct the Mexico Beach Cell;

WHEREAS, Sprint and Coastel desire to share benefits of the Mexico Beach Cell; all in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of these premises, the mutual covenants exchanged below, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Sprint and Coastel, wishing to be legally bound, hereby agree as follows:

1. Definitions.

(a) "Mexico Beach Cell" means the cell that Sprint has constructed or intends to construct in Bay County, Florida in the community of Mexico Beach.

(b) "Mexico Beach Local Toll Revenues" means Local Toll Revenue multiplied by the Local Ratio.

(c) "Mexico Beach Toll Roamer Revenues" means toll roaming revenues originating on the Mexico Beach Cell, as received from the Clearinghouse.

(d) "Mexico Beach MOUs" means the total local monthly minutes of use on the Mexico Beach Cell.

(e) "FCC" means Federal Communications Commission.

(f) "Panama City MSA" means the Metropolitan Statistical Area designated by the FCC as Panama City, Florida MSA.

- 2 -

(g) "Panama City MOUs" means the total local monthly minutes of use on the Panama City MSA cellular system.

(h) "Panama City MSA Revenue" means the total local monthly airtime revenue of Sprint's cellular system in the Panama City MSA.

(i) "Gulf of Mexico" means the Metropolitan Statistical Area designated by the FCC as the Gulf of Mexico MSA.

(j) "Invoice" means an invoice provided to Coastel at the end of each fiscal quarter which sets forth a monthly analysis of the calculations for revenues hereunder.

(k) "Local Ratio" means the ratio of Mexico Beach MOUs to Panama City MSA MOUs, calculated monthly.

(l) "Local Toll Revenue" means Total Toll Revenue less the Panama City MSA cellular system's roamer generated toll revenues for each month.

(m) "Split Percentage" means the percentage of revenues allocated to Coastel. This percentage shall be 7%.

(n) "Total Toll Revenue" means total monthly toll revenue for the Sprint's system in the Panama City MSA.

(o) "Authorized CGSA" means the Cellular Geographic Service Area authorized by the FCC as of the date of execution of this agreement.

(p) "Clearinghouse" means that entity which processes coded call records for service providers that have entered into roamer agreements with other service providers, such as billing another carrier, billing its own customers, and many other roaming functions.

2. Description of Sharing. Sprint shall be responsible for construction of the Mexico Beach Cell using cellular equipment manufactured by Motorola. The Mexico Beach Cell will be constructed at 29-56-44 N. Latitude, 85-24-35 W. Longitude. Such construction shall include obtaining leased lines from the local exchange carrier necessary to transmit and receive radio frequency from the Mexico Beach Cell to the mobile telephone switching office located at 2503 Highway 77 North, Panama City, FL. Sprint shall also be responsible for all maintenance associated with the Mexico Beach Cell. Sprint agrees to use the same degree of care in connection with the construction, operation and maintenance of the Mexico Beach Cell as is standard throughout the industry.

The Mexico Beach Cell shall recognize and treat all subscribers of Coastel the same as it treats subscribers of Sprint and shall not give any priority to Sprint's subscribers over Coastel's subscribers.

By execution of this Agreement, Sprint and Coastel agree that the proposed service area of the Mexico Beach Cell, as defined in Section 22.903(a) of the FCC Rules, shall be as indicated on the map attached hereto as Exhibit A.

3. Revenue Sharing. The revenues generated by the Mexico Beach Cell will be divided between Sprint and Coastel as described in this agreement.

4. Revenue Calculation.

(a) Local airtime. All airtime revenue (other than roamer revenue) originating on the Mexico Beach Cell will be split between Sprint and Coastel as follows. First, the Local Ratio will be multiplied by Panama City MSA Revenues. The product will be multiplied by the Split Percentage to determine the amount of revenues allocated to Coastel. The remaining revenues shall be allocated to Sprint. An example of this calculation is set forth in Exhibit B.

(b) Roaming revenues. Roaming revenues originating on the Mexico Beach Cell, including revenues for both local and toll as received from the clearinghouse, will be split between Sprint and Coastel based on the Split Percentage.

(c) Toll revenues. Toll Revenues will be split between Sprint and Coastel as follows. Mexico Beach Local Toll Revenues will be multiplied by the Split Percentage to determine the percentage of Mexico Beach Local Toll Revenues allocated to Coastel. The remaining percentage of Mexico Beach Local Toll Revenues shall be allocated to Sprint.

5. Calculations of Revenues - Change in Method. In the event the means become feasible in Sprint's sole judgment to calculate all revenues hereunder more accurately to reflect actual revenues, then the parties agree to amend this Agreement to reflect such calculation. Sprint shall provide Coastel six (6) months notice prior to the change in method becoming effective.

6. Invoices: Payment. Sprint shall provide Coastel with an Invoice at the end of each fiscal quarter. Sprint shall remit to Coastel the revenues within fifteen days of delivery of the Invoice. Delivery shall be deemed to have occurred within three business days after delivery of the Invoice in the United States Mail, postage prepaid for first class mail. Any due amount remaining unpaid following 30 days after the date payment is due will be subject to interest calculated at the rate of 1 1/2 per cent per month.

- 4 -

7. Term and Termination. The term of this Agreement shall begin on the date the Mexico Beach Cell is activated, subject to appropriate FCC approval, and shall continue in full force and effect, subject to termination as set forth in this Section, for a period of seven (7) years. This Agreement may be renewed for consecutive one year terms if mutually agreed in writing by the parties. Coastel may terminate this Agreement upon six (6) months' written notice to Sprint. Upon termination or expiration of this Agreement, Coastel shall consent to Sprint continuing to provide cellular service in the area within the Gulf of Mexico then being served by the Mexico Beach Cell; provided, that Sprint and Coastel shall continue to coordinate frequencies for non-interference and Sprint shall directionalize the Mexico Beach Cell set-up channel to reduce call origination in the Gulf of Mexico. If a dual licensing arrangement as described in Section 9 is in effect, such dual licensing of the Mexico Beach Cell shall survive termination of this Agreement. Either party may terminate this Agreement if the other party fails to perform any material obligation under this Agreement and the default remains uncured for 30 days following notice of the default.

8. Changes to the Mexico Beach Cell. Sprint may make changes in the Mexico Beach Cell upon notice to, but without the prior consent of, Coastel.

9. Election to Dual License the Mexico Beach Cell. At any time during the term of this agreement, Coastel, upon notice to Sprint, may apply to the FCC to dual license the Mexico Beach Cell. Sprint will affirmatively support the grant of Coastel's dual licensing application. Upon the grant of that application and Coastel's filing of the requisite Form 489, all portions of the Mexico Beach Cell's service area falling within the Panama City MSA or the Authorized CGSA of Sprint's Panama City cellular system shall be part of Sprint's CGSA; all portions of the Mexico Beach Cell's service area falling within the Gulf of Mexico, but not within the Authorized CGSA of Sprint's Panama City cellular system, shall be part of Coastel's CGSA. After such time, Sprint and Coastel shall be responsible for all FCC filings concerning their respective portions of the Mexico Beach Cell's service area.

Following the dual licensing of the Mexico Beach Cell, Sprint may make changes in the Mexico Beach Cell upon notice to, but without the prior consent of, Coastel, provided that the changes do not impair the delivery of cellular service or change the Mexico Beach Cell's service area boundary within Coastel's CGSA. Such changes may include, but are not limited to: (i) expanding or reducing the Mexico Beach Cell's capacity; and (ii) upgrading or downgrading the Mexico Beach Cell's facilities consistent with manufacturer's specifications. For changes in the Mexico Beach Cell that impair the delivery of cellular service or change the Mexico Beach Cell's service area boundary within Coastel's CGSA, Sprint must obtain the consent of Coastel. Coastel may direct Sprint to make changes in the Mexico Beach Cell. Sprint will implement these changes



- 5 -

unless, in the reasonable judgment of Sprint, such changes would impair the delivery of cellular service within Sprint's CGSA.

Following the dual licensing of the Mexico Beach Cell, Sprint shall be responsible for managing the operation of the this cell on behalf of itself and Coastel.

10. Limitations of Liability. Sprint's liability under this Agreement shall be limited as set forth in this Section 12. Except as otherwise specifically provided herein, THERE ARE NO EXPRESS OR IMPLIED WARRANTIES IN CONNECTION WITH THE SERVICES PROVIDED HEREUNDER INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Unless Sprint is guilty of willful misconduct, gross negligence or criminal acts, (i) Sprint shall not be liable to Coastel for indirect, incidental or consequential damages (including but not limited to loss of profits, damage to business reputation, lost opportunity or other remote items of damage) resulting from errors in, use of, inability to use, or other defects in any equipment of services used or provided hereunder, or based on any breach of warranty or contract, negligence or any other theory, whether or not Sprint was advised of the possibility of such damages, and (ii) Sprint's total liability to Coastel for failure to provide any service shall be limited to a credit of monthly charges hereunder for the time service was not provided. Without limiting the foregoing, following the dual licensing of the Mexico Beach Cell, Sprint agrees to indemnify and hold Coastel harmless for claims relating to Sprint's construction, maintenance and operation of the cell site towers and related equipment that result in the invocation of the penalty and forfeiture policies of the FCC.

11. Independent Contractor. Each of the parties to the Agreement shall perform its obligations hereunder as an independent contractor and not as the agent, employee or servant of the other party.

12. Force Majeure. Neither party shall be held liable for any delay or failure in performance of any obligation under this Agreement when such delay or failure results from any cause beyond its control, such as acts of God, acts of civil or military authority, government regulations, war, terrorist acts, insurrections, explosions, fires, earthquakes, nuclear accidents, floods, power blackouts, other major environmental or weather conditions, or inability to secure equipment.

13. Confidentiality of Agreement. Sprint and Coastel will treat all proprietary or confidential information obtained as a result of this Agreement as strictly confidential information except if required to disclose it in responding to the staff of any governmental agency or a court of competent jurisdiction.

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14. Notices. All notices required by this Agreement shall be in writing and shall be given by first class mail, addressed as followed:

If to Sprint;                   CENTEL CELLULAR COMPANY OF FLORIDA  
Mr. Thomas J. Curran  
Director - External Affairs  
Sprint Cellular  
8725 W. Higgins Road  
Chicago, IL 60631

If to Coastel:               Mr. George Billings  
Coastel Communications Company  
1560 West Bay Area Blvd.  
Suite 100  
Friendswood, TX 77546

or such other address as either party may from time to time specify by written notice to the other.

15. No Waiver. No failure of either party to enforce a provision of the Agreement will be construed as a general or a specific waiver of that provision, or a party's right to enforce that provision, or of a party's right to enforce any other provision of this Agreement.

16. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties hereto pertaining to the subject matter hereof. No provision of this Agreement may be altered, amended, canceled, changed, discharged, modified, terminated or waived except by written agreement signed by a duly authorized officer of each party. The parties acknowledge that the concept of cell sharing is unique and there may be issues which have not been addressed. The parties agree that throughout the term of this Agreement they will negotiate in good faith to handle such issues.

17. Governing and Applicable Laws. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida. This agreement is subject to all applicable federal, state, and local laws and regulations, rulings and orders of governmental agencies, including, but not limited to, the Communications Act of 1934, as amended, the Rules and Regulations of the FCC and the obtaining and continuation of any required approval or authorization of the FCC or any other governmental body. At any time during the term of this Agreement, if the action provided hereunder in order to meet legal requirements or would render performance by either party commercially impracticable, the parties shall negotiate in good faith to achieve an equitable adjustment to this Agreement.

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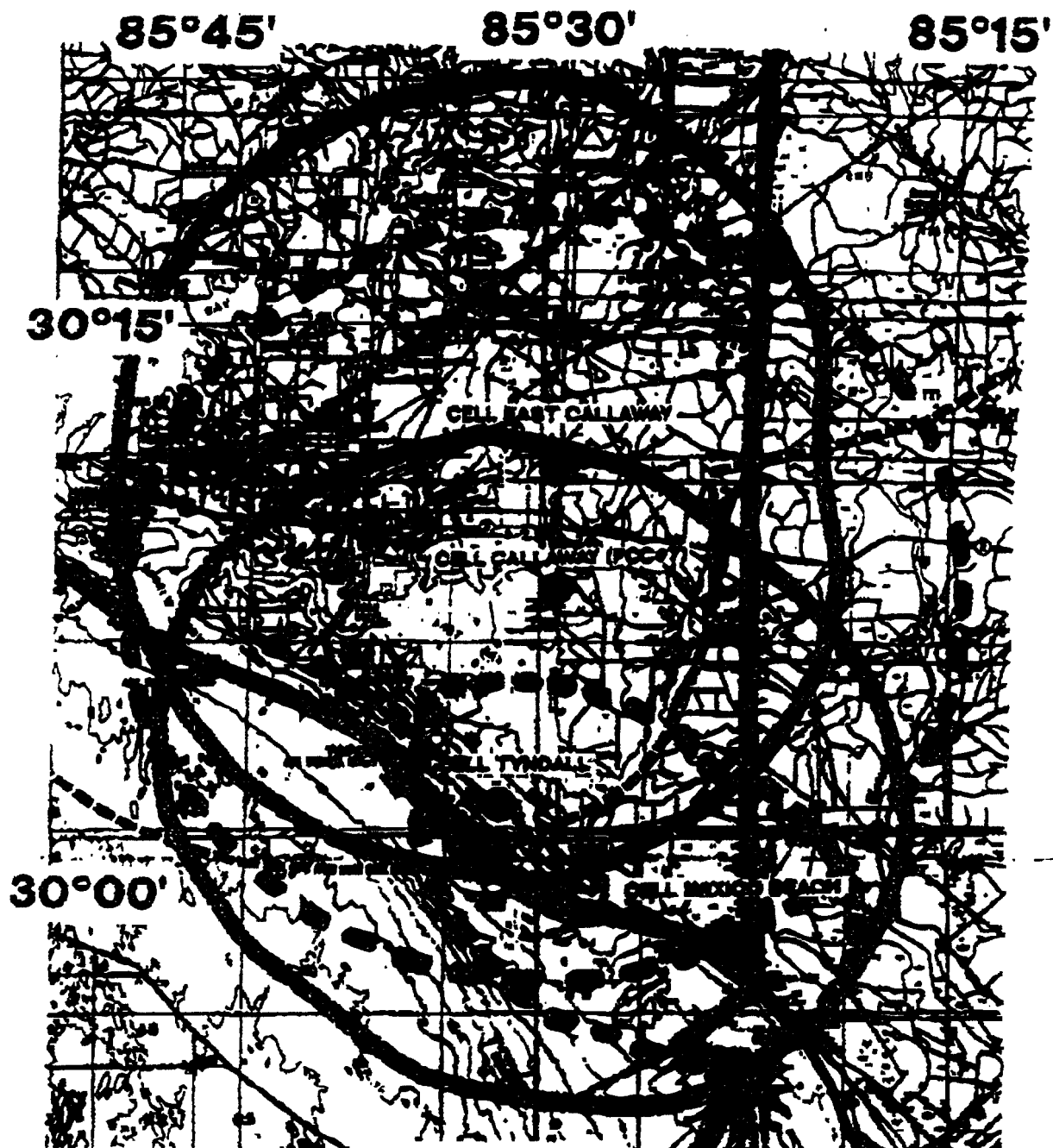
IN WITNESS WHEREOF, Sprint and Coastel, wishing to be legally bound, have executed this Agreement through their duly appointed representatives as of the date and year first above written.

CENTEL CELLULAR COMPANY OF FLORIDA

BY: *K. Michael Pagluch*TITLE: *V.P. Eng & Net. Ops* *PR/7*

COASTEL COMMUNICATIONS COMPANY

BY: *George H. Belling*TITLE: *President*

**CENTEL CELLULAR COMPANY OF FLORIDA****PANAMA CITY, FL MSA****MARKET NO. 283B CALL SIGN: KNKA 524****LEGEND**

**AUTHORIZED 32 dBu CONTOUR** -----  
**PENDING 32 dBu CONTOUR** -----  
**PROPOSED 32 dBu CONTOUR** -----  
**MSA BOUNDARY** -----  
**FL RSA9 BOUNDARY** -----  
**SCALE 1:250,000 JANUARY 1994**

**EXHIBIT B - ILLUSTRATION OF REVENUE CALCULATION**

ILLUSTRATION OF Coastal WITH 7% INTEREST.

**LOCAL AIRTIME REVENUE**

1 LOCAL RATIO =  $\frac{\text{MEXICO BEACH MOU}}{\text{PANAMA CITY MOU}}$  20.00%

2 PANAMA CITY REVENUE  
(TOTAL SYSTEM LOCAL AIRTIME REVENUE)

3 MEXICO BEACH LOCAL AIRTIME REVENUE  
(1 x 2)

4 APPLY SPLIT PERCENTAGE  
Coastal = 7.0%

**ROAMING REVENUE**

5 CLEARINGHOUSE REVENUE  
(AIRTIME, TOLL, DAILY ACCESS CHARGES)

6 APPLY SPLIT PERCENTAGE  
Coastal = 7.0%

**TOLL REVENUE**

7 LOCAL TOLL REVENUE  
(TOTAL SYSTEM TOLL REVENUE LESS  
TOTAL ROAMER GENERATED TOLL)

8 MEXICO BEACH LOCAL TOLL REVENUES  
(1 x 7)

9 APPLY SPLIT PERCENTAGE  
Coastal = 7.0%


**TOTAL REVENUES TO Coastal**

**DECLARATION**

I, Keith D. Paglus, state as follows:

1. I am the Vice President - Engineering/Network Operations of Centel Cellular Company of Florida ("Sprint"). I have personal knowledge of RVC Services, Inc. d/b/a Coastel Communications Company's ("Coastel's") agreement to withdraw its petition to deny Sprint's Form 401 application to modify its Block B cellular system in the Panama City, Florida MSA (File No. 07269-CL-MP-92) and the events leading thereto.
2. I hereby certify that neither Sprint nor its principals has paid or will pay money or other consideration in exchange for the dismissal or withdrawal of Coastel's petition to deny, as contemplated under Section 22.927 of the Commission's Rules.
3. As part of the agreement, Sprint will revise its proposed modifications to reduce contour extensions into the Gulf of Mexico. Coastel, in turn, will consent to the revised extensions. Coastel and Sprint have also agreed to divide revenues associated with the transmissions of the subject facility and possibly to dual license the cell at a later date. Revenues to Coastel resulting from this arrangement solely represent compensation for cellular service rendered under the revenue sharing arrangement.

I declare under penalty of perjury that the foregoing is true and correct. Executed on March 31, 1994.



Handwritten signature of Keith D. Paglus, with initials 'KDP' written below the signature.